

106TH CONGRESS
1ST SESSION

S. 1939

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for dry cleaning equipment which uses reduced amounts of hazardous substances.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 17, 1999

Mr. HELMS introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for dry cleaning equipment which uses reduced amounts of hazardous substances.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Pollu-
5 tion Prevention and Opportunity Act”.

(a) IN GENERAL.—Section 46 of the Internal Revenue Code of 1986 (relating to amount of investment credit) is amended by striking “and” at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting “, and”, and by adding at the end the following paragraph:

10 “(4) the dry cleaning equipment credit.”

(b) DRY CLEANING EQUIPMENT CREDIT.—Section 48 of such Code is amended by adding at the end the following new subsection:

14 “(c) DRY CLEANING EQUIPMENT USING REDUCED
15 AMOUNTS OF HAZARDOUS SUBSTANCES.—

“(1) IN GENERAL.—For purposes of section 46,
the dry cleaning equipment credit for any taxable
year is 20 percent of the basis of each qualified dry
cleaning property placed in service during the tax-
able year.

“(2) LIMITATION.—The credit under this subsection for the taxable year shall apply to only one qualified dry cleaning property placed in service during such year at each business premise of the taxpayer.

1 “(3) QUALIFIED DRY CLEANING PROPERTY.—

2 For purposes of this subsection, the term ‘qualified
3 dry cleaning property’ means equipment designed
4 primarily to dry clean clothing and other fabric if—

5 “(A) such equipment does not use any haz-
6 ardous solvent as the primary process solvent,

7 “(B) the original use of such property
8 commences with the taxpayer, and

9 “(C) with respect to which depreciation (or
10 amortization in lieu of depreciation) is allow-
11 able.

12 “(4) HAZARDOUS SOLVENT.—For purposes of
13 paragraph (3)—

14 “(A) IN GENERAL.—The term ‘hazardous
15 solvent’ means any solvent any portion of which
16 consists of a chlorinated solvent, a petroleum-
17 based solvent, or any other hazardous or regu-
18 lated substance.

19 “(B) EXCEPTION.—Such term shall not in-
20 clude any solvent—

21 “(i) not more than 10 percent of
22 which consists of petroleum or petroleum
23 derivatives, and

24 “(ii) which does not contain any sub-
25 stance determined by the Administrator of

the Environmental Protection Agency, the Director of the National Institute for Occupational Safety and Health, the Director of the International Agency for Research on Cancer, the Director of the National Institute of Environmental Health Sciences' National Toxicology Program, or the director of any other appropriate Federal agency to possess—

“(I) carcinogenic potential in hu-

mans, or

“(II) bioaccumulative properties.

“(5) TERMINATION.—This subsection shall not apply to property placed in service after December 31, 2004.”

(c) CLERICAL AMENDMENTS.—

(1) The section heading for section 48 of such Code is amended to read as follows:

“SEC. 48. ENERGY CREDIT; REFORESTATION CREDIT; DRY CLEANING EQUIPMENT CREDIT.”

(2) The item relating to section 48 in the table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended to read as follows:

“Sec. 48. Energy credit; reforestation credit; dry cleaning equipment credit.”

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property placed in service on
3 or after January 1, 1999.

